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Impact of MGNREGA among the livelihoods of rural people

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Abstract

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship rural employment scheme aimed at enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment annually to unskilled manual workers. This study was undertaken to evaluate the impact of MGNREGA on the livelihoods of rural households in three selected villages Angalakurichi, Arasur, and Kottur under Annamalai block of Coimbatore district, Tamil Nadu. A total of 120 beneficiaries were selected using stratified random sampling, and data were collected through a structured interview schedule. The study employed statistical tools such as percentage analysis, mean, standard deviation, paired sample t-test, and Garrett ranking technique to analyze the data. The findings revealed that MGNREGA provided an average of 78.2 days of employment per year, with an average wage of ₹272 per day, resulting in an annual income of ₹21,270. The scheme led to a statistically significant increase in household income ($p < 0.01$), improving access to food, education, and healthcare. Furthermore, women participants reported enhanced financial independence and decision-making ability, indicating a positive role of MGNREGA in women empowerment. However, major constraints identified included delays in wage payments, limited availability of work, and lack of awareness about entitlements. The study concludes that MGNREGA plays a pivotal role in improving rural livelihoods, but effective implementation and timely payments are essential to realize its full potential.

Keywords: MGNREGA, rural employment, livelihood security, women empowerment, wage labour

1. Introduction

Poverty, unemployment, and livelihood insecurity have long been persistent challenges in rural India, where nearly 65% of the population still depends on agriculture and allied sectors for survival (GoI, 2023) ^[7]. However, low agricultural productivity, seasonal employment, and climatic vulnerability have severely constrained rural income generation. In response, the Government of India enacted one of the world's largest employment guarantee schemes—the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)—in 2005, which aims to provide social protection through wage employment. MGNREGA legally guarantees 100 days of wage employment per financial year to every rural household whose adult members volunteer to do unskilled manual work. As a rights-based development initiative, it serves a dual purpose: providing income support and creating durable rural assets (MoRD, 2022) ^[11]. The act mandates inclusive participation, especially of women, Scheduled Castes (SCs), Scheduled Tribes (STs), and other marginalized communities, thus contributing to both economic and social empowerment (Dey & Bedi, 2010) ^[5]. Studies across different Indian states have shown that MGNREGA has significantly increased employment days, household income, and food security, especially during lean agricultural seasons (Azam, 2012; Imbert & Papp, 2015) ^[2, 8]. Furthermore, it has promoted financial inclusion by

linking payments to bank accounts and enhancing women's participation in wage employment (Pankaj & Tankha, 2010) ^[12]. However, the implementation efficiency and impact vary significantly across regions, and localized studies are essential to assess its effectiveness in specific socio-economic contexts.

The Coimbatore district of Tamil Nadu, with its mix of tribal and agrarian villages, provides an appropriate case for evaluating the real impact of MGNREGA on rural livelihoods. The district's rural blocks, such as Annamalai and Pollachi, witness fluctuations in agricultural labour demand, thereby making MGNREGA a crucial supplementary livelihood source.

While macro-level data show encouraging trends, micro-level empirical evidence is necessary to understand how MGNREGA is reshaping employment patterns, income levels, and women's empowerment in specific regions. This study fills that gap by assessing its localized impact in selected villages of Coimbatore district.

Objectives of the Study

1. To assess the impact of MGNREGA on employment generation among rural households.
2. To evaluate its role in improving income and standard of living.
3. To study its influence on women empowerment and social inclusion.

2. Review of Literature

A number of empirical studies, government reports, and evaluations have examined the multifaceted impact of MGNREGA across India. This section presents a thematic review of literature categorized under employment generation, income and standard of living, and women's empowerment and social inclusion.

2.1 Impact of MGNREGA on Employment Generation

One of the core objectives of MGNREGA is to provide guaranteed wage employment during agricultural lean seasons. Several studies highlight that MGNREGA has played a pivotal role in reducing underemployment and disguised unemployment in rural India.

According to Azam (2012) ^[2], implementation of MGNREGA increased rural employment by 10-15 days per household annually in the treated regions. Chopra (2019) ^[3] reported that MGNREGA helped buffer employment shocks, especially for landless agricultural labourers, contributing to labour market stabilization in states like Rajasthan and Madhya Pradesh.

Further, Imbert and Papp (2015) ^[8] found that the scheme significantly increased casual rural employment by offering predictable, demand-driven work, especially for marginal farmers and wage-dependent households.

2.2 Role of MGNREGA in Enhancing Income and Living Standards

Numerous studies confirm that MGNREGA has led to positive income effects and improved consumption patterns in rural households. Ravi and Engler (2015) ^[13] observed that MGNREGA households in Andhra Pradesh experienced better income security and higher spending on food, education, and health.

Afridi, Mukhopadhyay, and Sahoo (2013) ^[1], using household-level data, found that the program led to significant increases in household incomes, particularly among socially disadvantaged communities. Deininger and Liu (2013) ^[4] concluded that sustained participation in MGNREGA led to improvements in asset acquisition and debt repayment, reflecting improved financial resilience.

In Tamil Nadu, Jeyaranjan (2011) ^[9] observed that regular MGNREGA work reduced rural distress migration and encouraged investments in sanitation and household infrastructure.

2.3 Influence on Women Empowerment and Social Inclusion

MGNREGA is notable for its pro-women orientation, requiring that at least one-third of its beneficiaries be women. In practice, the participation of women has far exceeded this minimum.

Pankaj and Tankha (2010) ^[12], in their study across four Indian states, noted significant improvements in women's self-confidence, financial independence, and household decision-making capacity. Women respondents shared that MGNREGA earnings were often the first income they had personally controlled.

Khera and Nayak (2009) ^[10] emphasized that timely payments into women's bank accounts improved financial literacy and bargaining power within the household. The Act also ensures equitable access to employment for SCs

and STs, as noted by Dutta *et al.* (2014) ^[6] in their evaluation of social inclusion aspects of the scheme.

2.4 Gaps Identified

While the above literature confirms the positive macro-level effects of MGNREGA, there is a dearth of micro-level, region-specific studies that explore the impact in localized contexts, particularly in Tamil Nadu's Coimbatore district. This study aims to fill that gap by evaluating MGNREGA's impact on employment, income, and empowerment at the grassroots level.

3. Methodology

3.1 Research Design

The present study employed a descriptive research design to assess the impact of MGNREGA on the livelihoods of rural people in selected villages of Coimbatore district, Tamil Nadu. The research was designed to gather primary data using a structured interview schedule and analyze it quantitatively.

3.2 Study Area

The research was conducted in three purposively selected villages—Angalakurichi, Arasur, and Kottur—under Annamalai block, Pollachi taluk, Coimbatore district, Tamil Nadu. These villages were chosen based on the active implementation of MGNREGA and the availability of beneficiaries.

3.3 Sampling Method and Sample Size

A stratified random sampling method was adopted to ensure fair representation across the three villages. A total of 120 respondents were selected, with 40 beneficiaries from each village:

Table 1: Distribution of Respondents Selected for the Study

District	Block	Taluk	Villages	Samples
Coimbatore	Annamalai	Pollachi	Angalakurichi	40
			Arasur	40
			Kottur	40
		Total		120

3.4 Data Collection

Data were collected through a well-structured and pre-tested interview schedule. The questionnaire included both close-ended and open-ended questions aligned with the study objectives.

3.5 Statistical Tools Used

The following statistical tools were used to analyze the collected data:

3.5.1. Percentage Analysis

Used to describe the socio-economic profile and general trends among respondents.

$$\text{Percentage} = \frac{\text{Frequency}}{\text{No. of respondents}} \times 100$$

3.5.2. Mean and Standard Deviation

To understand central tendency and variability in employment days and income earned.

$$\bar{X} = \frac{\sum x}{N}$$

Where:

$\bar{X}$ = Mean,

$\sum X$ = Sum of all observations,

N = Number of observations

$$SD = \sqrt{\frac{\sum (x - \bar{x})^2}{N - 1}}$$

Where:

SD = Standard Deviation

x = each observation,

$\bar{x}$ = Mean,

N = Total number of observations.

3.5.3. Paired Sample t-test

Used to compare pre- and post-MGNREGA income levels to assess its impact on livelihood enhancement.

Formula:

$$t = \frac{d^-}{sd/\sqrt{n}}$$

Where:

d^- = Mean difference between paired observations

sd = Standard deviation of the differences

n = Number of pairs

3.5.4. Garrett Ranking Technique

Used to identify and rank the major constraints faced by MGNREGA beneficiaries.

Steps:

1. Respondents ranked the constraints.
2. Ranks were converted into percent positions:

Where:

$$\text{Percent Position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

- R_{ij} = Rank given for the i^{th} item by the j^{th} respondent
 - N_j = Total number of items ranked by j^{th} respondent
3. Garrett scores were obtained using the Garrett Conversion Table.
 4. Mean Garrett scores were computed and ranked accordingly.

3.5.5. Data Analysis and Interpretation

Data collected were coded, entered into Microsoft Excel, and analyzed using IBM SPSS and Excel 365. Interpretation was based on both descriptive and inferential statistics, ensuring clarity and relevance to the stated objectives.

4. Results and Discussion

4.1 Socio-Economic Profile of Respondents

Understanding the socio-economic characteristics of MGNREGA beneficiaries is crucial to analyze how

effectively the scheme addresses the needs of various rural demographics. This section highlights key variables such as gender, age, education, and landholding status, which influence participation and impact levels of the scheme. The data provide context for interpreting subsequent findings related to employment, income, and empowerment.

Table 2: Socio-Economic Profile of MGNREGA Beneficiaries

Variable	Category	Frequency (n=120)	Percentage (%)
Gender	Male	70	58.33
	Female	50	41.67
Age (years)	18-30	30	25.00
	31-45	60	50.00
	Above 45	30	25.00
Education	Illiterate	38	31.67
	Primary	44	36.67
	Secondary & Above	38	31.67
Landholding	Landless	58	48.33
	Marginal Farmers	62	51.67

4.2 Objective 1: Impact of MGNREGA on Employment Generation

The study found that the average employment days generated through MGNREGA was 78.2 days (SD = 10.6) per household during the last financial year, which is significantly above the national average of 45-50 days reported by MoRD (2022) ^[11].

Table 3: Average Number of Employment Days Generated through MGNREGA

Village	Mean Employment Days	Standard Deviation
Angalakurichi	78.5	11
Arasur	76.8	10.5
Kottur	79.3	10.2
Overall Mean	78.2 days	10.6

With a wage rate of ₹272/day, the average annual income through MGNREGA was:

$$\text{Income} = 78.2 \text{ days} \times ₹272 \\ = ₹21,270.4$$

This additional income played a vital role in stabilizing livelihoods during lean agricultural periods, in line with findings by Imbert & Papp (2015) ^[8] and MoRD (2023) ^[11], which reported that MGNREGA helped reduce rural unemployment.

4.3 Objective 2: Role of MGNREGA in Improving Income and Standard of Living

Income before and after MGNREGA participation was compared using a paired sample t-test to determine the impact on household income.

Table 4: Impact of MGNREGA on Household Income and Standard of Living

Indicator	Before MGNREGA (₹/month)	After MGNREGA (₹/month)	Mean Increase (₹)	SD (diff)	t-value	p-value
Household Income	4,800	6,770	1,970	650	25.69	<0.01

$$t = \frac{sd}{nd} = \frac{650}{120/1970} = 59.331970 \approx 33.20$$

The significant increase ($p < 0.01$) in income after MGNREGA confirms its role in poverty reduction, complementing studies by Ravi & Engler (2015) ^[13] and Afridi *et al.* (2013) ^[11]. Respondents reported improved access to basic needs like food, school materials, healthcare, and house repairs, indicating an improved standard of living.

4.4 Objective 3: Influence on Women Empowerment and Social Inclusion

Of the 120 respondents, 50 were women (41.67%). Their participation in MGNREGA contributed to greater autonomy and empowerment.

Table 5: Women's Participation and Empowerment Indicators (n=50)

Indicator	% Women Agreeing
Control over earned income	82%
Decision-making in household spending	70%
Increased community participation	64%
Enhanced self-confidence	76%

These results are consistent with Pankaj & Tankha (2010) ^[12] and Khera & Nayak (2009) ^[10], highlighting MGNREGA as a tool for women's empowerment and social inclusion.

4.5 Constraints Faced by Beneficiaries

Using Garrett Ranking, the major constraints perceived by beneficiaries included:

Table 6: Constraints Faced by MGNREGA Beneficiaries

Constraint	Garrett Score	Rank
Delay in wage payment	78.5	1
Inadequate availability of work	72.3	2
Lack of awareness on entitlements	65.7	3
Poor worksite facilities	58.6	4
Political interference	52.1	5

These findings echo those of Pankaj & Tankha (2010) ^[12] and Khera & Nayak (2009) ^[10], who observed significant strides in women's empowerment through MGNREGA. Women respondents appreciated working near home, receiving independent wages, and being less dependent on spouses.

5. Conclusion

The study clearly demonstrates that MGNREGA has made a significant contribution to improving the livelihoods of rural households in the selected villages of Coimbatore district. By providing an average of 78.2 days of employment per household annually at a wage rate of ₹272 per day, the scheme has helped beneficiaries augment their household income, reduce vulnerability during agricultural lean periods, and ensure better access to essential services such as food, education, and healthcare. The significant increase in income, as revealed by statistical analysis, underlines the scheme's potential as a vital rural safety net.

Moreover, MGNREGA has positively impacted women's empowerment by increasing their financial independence, participation in decision-making, and confidence in public spaces. Despite these positive outcomes, challenges such as delayed wage payments, limited awareness about

entitlements, and inadequate availability of work were noted as major constraints affecting the full realization of the scheme's objectives.

Looking forward, future prospects of MGNREGA should focus on strengthening transparency, enhancing worksite facilities, and leveraging digital platforms to ensure timely wage payments. Efforts should also be made to integrate MGNREGA activities with local development plans, natural resource management, and skill development programs. Furthermore, increasing community participation and awareness can ensure greater accountability and ownership of the scheme. Expanding employment opportunities under MGNREGA for skilled and semi-skilled rural youth could serve as a transformative step in promoting sustainable and inclusive rural development.

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